



February 20, 2004

ENGROSSED SENATE BILL No. 151

DIGEST OF SB 151 (Updated February 18, 2004 6:38 pm - DI 108)

Citations Affected: IC 36-1; IC 36-4.

Synopsis: Local rainy day funds. Reconciles two different versions of the statute allowing political subdivisions to establish rainy day funds. Defines a second class city a city having a population of 35,000 to 499,999 and first class city as a city having a population of 500,000 or more. (Current law defines a second class city as a city having a population of 35,000 to 249,999 and a first class city as a city having a population of 250,000 or more.)

Effective: Upon passage.

Gard, Kenley

(HOUSE SPONSORS — AUSTIN, ESPICH)

January 6, 2004, read first time and referred to Committee on Governmental Affairs and Interstate Cooperation.

January 29, 2004, reported favorably — Do Pass.

February 2, 2004, read second time, ordered engrossed. Engrossed.

February 3, 2004, read third time, passed. Yeas 49, nays 0.

HOUSE ACTION

February 5, 2004, read first time and referred to Committee on Local Government.

February 19, 2004, amended, reported — Do Pass.

C
o
p
y

ES 151—LS 6667/DI 73+



February 20, 2004

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 151

A BILL FOR AN ACT to amend the Indiana Code concerning local government.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 36-1-8-5.1, AS AMENDED BY P.L.267-2003,
2 SECTION 15, AND P.L.173-2003, SECTION 19, IS AMENDED AND
3 CORRECTED TO READ AS FOLLOWS [EFFECTIVE UPON
4 PASSAGE]: Sec. 5.1. (a) A political subdivision may establish a rainy
5 day fund *to receive transfers of unused and unencumbered funds*
6 *under: (1) section 5 of this chapter; (2) IC 6-3.5-1.1-21.1; (3)*
7 *IC 6-3.5-6-17.3; and (4) IC 6-3.5-7-17.3; by the adoption of:*

8 (1) an ordinance, in the case of a county, city, or town; or

9 (2) a resolution, in the case of any other political subdivision.

10 (b) An ordinance or a resolution adopted under this section must
11 specify the following:

12 (1) The purposes of the rainy day fund.

13 (2) The sources of funding for the rainy day fund, **which may**
14 **include the following:**

15 (A) **Unused and unencumbered funds under:**

16 (i) **section 5 of this chapter;**

17 (ii) **IC 6-3.5-1.1-21.1;**

ES 151—LS 6667/DI 73+



C
o
p
y

(iii) IC 6-3.5-6-17.3; or

(iv) IC 6-3.5-7-17.3.

(B) Any other funding source:

(i) specified in the ordinance or resolution adopted under this section; and

(ii) not otherwise prohibited by law.

~~(b)~~ (c) The rainy day fund is subject to the same appropriation process as other funds that receive tax money. *Before making an appropriation from the rainy day fund, the fiscal body shall make a finding that the proposed use of the rainy day fund is consistent with the intent of the fund.*

~~(c)~~ (d) In any fiscal year, a political subdivision may transfer under section 5 of this chapter not more than ten percent (10%) of the political subdivision's total annual budget for that fiscal year, adopted under IC 6-1.1-17, to the rainy day fund.

~~(d)~~ (e) A political subdivision may use only the funding sources specified in **subsection (b)(2)(A) or in the ordinance or resolution establishing the rainy day fund.** ~~unless The political subdivision adopts~~ **may adopt a subsequent ordinance or resolution authorizing the use of another funding source.**

(f) The department of local government finance may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.

SECTION 2. IC 36-4-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Municipalities are classified according to their status and population as follows:

STATUS AND POPULATION	CLASS
Cities of 250,000 500,000 or more	First class cities
Cities of 35,000 to 249,999 499,999	Second class cities
Cities of less than 35,000	Third class cities
Other municipalities of any population	Towns

(b) Except as provided in subsection (c), a city that attains a population of thirty-five thousand (35,000) remains a second class city even though its population decreases to less than thirty-five thousand (35,000) at the next federal decennial census.

(c) The legislative body of a city to which subsection (b) applies may, by ordinance, adopt third class city status.

SECTION 3. **An emergency is declared for this act.**

C
o
p
y



COMMITTEE REPORT

Madam President: The Senate Committee on Governmental Affairs and Interstate Cooperation, to which was referred Senate Bill No. 151, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 151 as introduced.)

RIEGSECKER, Chairperson

Committee Vote: Yeas 9, Nays 0.

**C
o
p
y**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred Senate Bill 151, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 23 and 24, begin a new paragraph and insert:

"SECTION 2. IC 36-4-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) Municipalities are classified according to their status and population as follows:

STATUS AND POPULATION	CLASS
Cities of 250,000 500,000 or more	First class cities
Cities of 35,000 to 249,999 499,999	Second class cities
Cities of less than 35,000	Third class cities
Other municipalities of any population	Towns

(b) Except as provided in subsection (c), a city that attains a population of thirty-five thousand (35,000) remains a second class city even though its population decreases to less than thirty-five thousand (35,000) at the next federal decennial census.

(c) The legislative body of a city to which subsection (b) applies may, by ordinance, adopt third class city status."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 151 as printed January 30, 2004.)

MOSES, Chair

Committee Vote: yeas 11, nays 0.

C
o
p
y

